

INSURANCE DIVISION[191]

Adopted and Filed

Pursuant to the authority of Iowa Code section 507B.12, the Insurance Division hereby adopts amendments to Chapter 15, “Unfair Trade Practices,” Iowa Administrative Code.

Chapter 15 establishes certain minimum standards and guidelines of conduct by identifying unfair methods of competition and unfair or deceptive acts or practices in the business of insurance, as prohibited by Iowa Code chapter 507B.

The adopted amendments to Chapter 15 are promulgated to conform to the Annuity Disclosure Model Regulation adopted by the National Association of Insurance Commissioners. The amendments will go into effect April 11, 2012, and persons and entities shall comply with the amended rules for all annuities not exempted under rule 191—15.62(507B) in accordance with the dates set forth in the rules.

These amendments were published under Notice of Intended Action in the December 28, 2011, Iowa Administrative Bulletin as **ARC 9941B**.

A public hearing was held on January 18, 2012, at the offices of the Iowa Insurance Division, 330 Maple St., Des Moines, Iowa. Interested persons could have made written suggestions or comments on the proposed amendments on or before January 18, 2012.

One comment letter was received in which a request was made to extend the date on which the rules would apply to all annuities not otherwise exempted to January 1, 2013, as opposed to July 1, 2012, as previously stated in the proposed amendment to the introductory paragraph of rule 191—15.62(507B). The Division has made that change. The introductory paragraph now reads as follows:

“191—15.62(507B) Applicability and scope. These rules apply to all annuities not exempted under this rule 191—15.62(507B) for which applications are taken on or after January 1, 2013, except that rule 191—15.66(507B) applies to all annuities not exempted under this rule 191—15.62(507B) which are in effect or for which applications are taken on or after January 1, 2013, and except that rule 191—15.67(507B) applies to all annuity contracts not exempted under this rule 191—15.62(507B) which are in effect on or after January 1, 2013. These rules apply to all group and individual annuity contracts and certificates except:”

In addition, the Division determined that the date after which compliance with rule 191—15.64(507B) for certain transactions is required should be January 1, 2015, instead of January 1, 2014, as previously stated in the introductory paragraph of proposed subrule 15.62(6). The introductory paragraph, which has been revised to reflect the January 1, 2015, date, now reads as follows:

“15.62(6) Transactions involving variable annuities and other registered products in compliance with Securities and Exchange Commission (SEC) rules and Financial Industry Regulatory Authority (FINRA) rules relating to disclosures and illustrations, provided that compliance with rule 191—15.64(507B) shall be required after January 1, 2015, unless, or until such time as, the SEC has adopted a summary prospectus rule or FINRA has approved for use a simplified disclosure form applicable to variable annuities or other registered products.”

Finally, a technical change was made in Item 6 to renumber rules in Division V to create space for new rules in Division IV. Item 6 now reads as follows:

“Item 6. Renumber rules **191—15.66(507B)** and **191—15.67(507B)** as **191—15.67(507B)** and **191—15.69(507B)** and rules **191—15.68(507B)** to **191—15.74(507B)** as **191—15.72(507B)** to **191—15.78(507B)**.”

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapter 507B.

These amendments will become effective April 11, 2012.

EDITOR'S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [15.61 to 15.78] is being omitted. With the exception of the changes noted above, these amendments are identical to those published under Notice as **ARC 9941B**, IAB 12/28/11.

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[For replacement pages for IAC, see IAC Supplement 3/7/12.]